




OFFICE OF MAYOR JERRY SANDERS
CITY OF SAN DIEGO

MEMORANDUM

Date : May 7, 2008
To : Councilwoman Donna Frye
Members of the San Diego City Council
From : Jay Goldstone, Chief Operating Officer 
Subject : Public Safety Cost Recovery

The following information has been assembled in response to your request seeking cost recovery information regarding the provision of public safety staff to support activities at Qualcomm Stadium and PETCO Park for Fiscal Years 2006, 2007, 2008.

In addition to the information requested I've also included *recommendations/actions* to better position the City for cost recovery of the services provided to private entities and continue to explore cost recovery options related to the existing contractual obligations.

Summary

The information you requested has been broken down into five categories: 1) Qualcomm Stadium Charger games; 2) Qualcomm Stadium Aztec games; 3) Qualcomm Stadium Other events; 4) PETCO Park Padre games; and 5) PETCO Park Other events.

Cost recovery percentages vary greatly depending upon the governing policy.

Contracts

- Qualcomm Charger Games
 - FY06 – 27.31%
 - FY07 – 27.37%
 - FY08 – 28.28%
- Qualcomm Aztec Games
 - FY06 – 38.54%
 - FY07 – 38.50%
 - FY08 – 35.88%
- PETCO Park Padre Games

- FY06 – 33.73%
- FY07 – 38.52%
- FY08 (YTD) – 40.69%

Council Approved Rates/Municipal Code

- Qualcomm Other Events
 - FY06 – 76.00%
 - FY07 – 80.80%
 - FY08 – 82.21%
- PETCO Park Other Events
 - FY06 – 82.19%
 - FY07 – 77.70%
 - FY08 (YTD) – 75.59%

BACKGROUND

The City of San Diego has a number of City Council approved rates and contractual agreements that are associated with the provision of public safety services at special events. Following is a summary of these rates and agreements:

San Diego Police Department

Special Services Rate

On June 10, 2003 the City Council approved the Special Services Rate of \$55 per hour for any level of Police Officer and \$22 per hour for traffic control staff required to support an event. This rate is applied to special events organized by tax-exempt organizations.

In approving the rate the City Council acknowledged that the Special Services Rate did not reflect full cost recovery and was established, in part, as recognition of the community and economic development contributions events and other activities provide to the San Diego economy.

Provision of free city services to tax-exempt organizations

The Special Events Ordinance was first approved in 1989 and contained a provision which provided the first \$3,000 of City services to tax exempt organizations. Since its inception the \$3,000 had been used to reduce the cost of public safety and traffic control services billed to event organizers. On June 10, 2003, the City Council amended the Special Events Ordinance to reduce the level of free City services from \$3,000 to \$1,000 for tax-exempt organizations.

Commercial Events and Other Activities

On May 25, 2004, the City Council established a Commercial Event and Activity Rate of \$75 per hour for police services and \$30 per hour for traffic control services for commercial events and other activities to be differentiated from the Special Services Rate charged to tax-exempt organizations conducting public events on public property. This

commercial rate does not apply to contractual agreements the City has with the San Diego Chargers, nor the San Diego State University Aztecs.

San Diego Fire-Rescue Department

Stand-by and Inspection Services

On June 10, 2003 the City Council increased the Fire-Rescue Department rate from \$60.00 per hour with a two hour minimum during non-business hours to \$80.00 per hour with a two hour minimum during non-business hours.

The City Council also reaffirmed the practice of providing the first two hours of Stand-by and Inspection services free of charge during customary business hours with the remainder of services being billed at the Fire-Rescue department rate of \$80.00 (including the two hour minimum).

The City Council also directed the Fire-Rescue Department to begin charging for operational support services at the Fire-Rescue Department rate.

Agreement between the City of San Diego and San Diego Chargers

The agreement between the City of San Diego and the San Diego Chargers allows the City of San Diego to bill the Chargers at cost recovery rates for half of the time that police officers spend *inside the stadium* policing a football game.

The agreement does not address payment for customary costs associated with public safety and traffic control personnel necessary to police and control the streets, parking lot and gate areas that support events at Qualcomm Stadium. Similarly, the agreement does not contain provisions that address the cost of Fire-Rescue Department stand-by and inspection services required in compliance with the California Fire Code. Historically, the City has not recovered these costs associated with customary service levels.

Recommendation/Action:

- **Negotiate cost recovery for Fire-Rescue services provided to the Chargers during home game events.**

San Diego State University Aztec Agreement

The Agreement between the City of San Diego and San Diego State University allows the City to bill the university at cost recovery rates at half of the time police officers spend at the stadium (including inside the stadium and parking lot areas). The agreement does not address traffic control costs. Similarly, the agreement does not contain provisions that address the cost of Fire-Rescue Department stand-by and inspection services required in compliance with the California Fire Code. Historically, the City has not recovered these costs. The City does charge at cost recovery rates for police services that exceed customary service levels.

Recommendation/Action:

- **Negotiate with San Diego State University for cost recovery of Fire-Rescue Department costs.**

San Diego Padres

Proposition C passed by the citizens of San Diego established the groundwork for the building of PETCO Park and contained language that the Padres would receive the same level of City services as that which had been usual and customary to those provided to the Padres when they were located at Qualcomm Stadium. This concept was later memorialized in the Joint Use and Management Agreement (JUMA) between the City of San Diego and San Diego Padres that was adopted by City Council on February 1, 2000.

On November 20, 2007 the City Council authorized the execution of an agreement between the City of San Diego and San Diego Padres that provided clarity to the JUMA's usual and customary benchmarks for police and traffic control services at PETCO Park during Padres' home games. The following customary benchmarks were established in the agreement: 1) City of San Diego absorbs total cost of all sworn officers outside of the ballpark structure; 2) City of San Diego absorbs cost of 155.6 hours of Special Event Traffic Controller (SETC) costs for each game (current cost to city is approximately \$400,000 per season). Padres pay for all traffic control cost at City Council approved Commercial Rate above the 155.6 personnel hour bench mark; 3) Padres pay for all police services inside ballpark structure at City Council approved Commercial Rate. As a result of the agreement, the Padres paid the City of San Diego a lump sum of \$1.1 million for the cost of services provided in Fiscal Years 2005, 2006, and 2007. This agreement further clarified the method by which the fiscal years 2008 and forward billing will be calculated to increase the amount reimbursed to the City of San Diego.

Establishment of Cost Recovery Rates

City of San Diego Administrative Regulation 95.25 establishes the mechanism to determine the City's cost of services and calls for the calculation to include all reasonable costs incurred in providing services. In the case of the San Diego Police Department and Fire-Rescue Department, each department incorporates the cost of overtime, fringe benefits, and other reasonable administrative costs to determine their respective cost recovery rates.

Attachments:

1. Qualcomm Charger Games
2. Qualcomm Aztec Games
3. Qualcomm Other Events
4. PETCO Padre Games
5. PETCO Other Events

Qualcomm Stadium Charger Games

Chargers	Event Name	SDPD Full Cost	SDPD at Council Approved Rate	SDPD Invoiced	Fire-Rescue Full Cost	Fire-Rescue Invoiced	Total Full Cost SDPD and Fire-Rescue	Total Reimbursable Revenue SDPD and Fire-Rescue*	Percentage of Total Cost Recovered
FY06	Home Games	\$1,132,076	\$904,713	\$316,334	26,059	0	\$1,158,135	\$316,334	27.31%
FY07	Home Games	\$1,366,136	\$1,135,061	\$381,582	\$27,835	0	\$1,393,971	\$381,582	27.37%
FY08	Home Games	\$1,451,806	\$1,136,448	\$417,668	\$25,036	0	\$1,476,842	\$417,668	28.28%
Total		\$3,950,018	\$3,176,222	\$1,115,584	78,930	\$0	\$4,028,948	\$1,115,584	27.69%

*Reimbursable revenue to City reflects total billable amount based on full cost recovery less services provided in the City Council approved Agreement between the City of San Diego and San Diego Chargers.

Qualcomm Stadium Aztec Games

Aztec Home Games	Event Name	SDPD Full Cost	SDPD at Council Approved Rate	SDPD Invoiced	Fire-Rescue Full Cost	Fire-Rescue Invoiced	Total Full Cost SDPD and Fire-Rescue	Total Reimbursable Revenue SDPD and Fire-Rescue*	Percentage of Total Cost Recovered
FY06	Home Games	\$176,696	\$144,245	\$71,241	\$8,164	0	\$184,860	\$71,241	38.54%
FY07	Home Games	\$146,940	\$125,747	\$59,925	\$8,726	0	\$155,666	\$59,925	38.50%
FY08	Home Games	\$150,695	\$121,001	\$56,845	\$7,754	0	\$158,449	\$56,845	35.88%
Total		\$474,331	\$390,993	\$188,011	\$24,644	0	\$498,975	\$188,011	37.68%

*Reimbursable revenue to City reflects total billable amount based on full cost recovery less services provided in the City Council approved Agreement between the City of San Diego and San Diego State University.

Qualcomm Stadium Other Events

Other Events	Event Name	SDPD Full Cost	SDPD at Council Approved Rate	SDPD Invoiced	Fire-Rescue Full Cost	Fire-Rescue at Council Approved Rate	Fire-Rescue Invoiced	Total Full Cost SDPD and Fire-Rescue	Total Reimbursable Revenue SDPD and Fire-Rescue*	Percentage of Total Cost Recovered
FY06	Street Scene	\$261,180	\$206,691	\$206,691	\$29,802	\$29,120	\$29,120	\$290,982	\$235,811	81.04%
	Poinsettia Bowl	\$39,759	\$31,878	\$31,878	\$2,010	\$1,904	\$1,904	\$41,769	\$33,782	80.88%
	Holiday Bowl	\$58,420	\$46,895	\$39,468	\$2,184	\$2,240	\$2,240	\$60,604	\$41,708	68.82%
	Monster Jam	\$33,676	\$27,119	\$27,119	\$1,688	\$1,480	\$1,480	\$35,364	\$28,599	80.87%
	TET Festival*	\$24,678	\$14,255	\$13,255	\$174	\$160	\$160	\$24,852	\$13,415	53.98%
	Supercross	\$74,194	\$59,463	\$59,463	\$2,842	\$2,656	\$2,656	\$77,036	\$62,119	80.64%
	Low Rider Show	\$23,169	\$18,264	\$18,264	\$150	\$160	\$160	\$23,319	\$18,424	79.01%
	Other Events**	\$43,579	\$35,954	\$35,954	\$600	\$600	\$600	\$44,179	\$36,554	82.74%
FY07	Street Scene				\$34,376	\$31,520	\$31,520	\$34,376	\$31,520	91.69%
FY07	Poinsettia Bowl	\$24,784	\$21,179	\$21,179	\$2,077	\$1,840	\$1,840	\$26,861	\$23,019	85.70%
	Holiday Bowl	\$48,900	\$41,267	\$41,267	\$2,950	\$2,760	\$2,760	\$51,850	\$44,027	84.91%
	Monster Jam	\$27,745	\$23,912	\$23,912	\$1,370	\$1,360	\$1,360	\$29,115	\$25,272	86.80%
	TET Festival*	\$23,994	\$14,944	\$13,944	\$174	\$160	\$160	\$24,168	\$14,104	58.36%
	Supercross	\$83,903	\$69,629	\$69,629	\$2,466	\$2,380	\$2,380	\$86,369	\$72,009	83.37%
	Soccer Tournament	\$46,974	\$39,347	\$39,347	\$2,319	\$2,040	\$2,040	\$49,293	\$41,387	83.96%
	Motorcycle & Hot Rod Expo	\$12,320	\$10,391	\$10,391	\$346	\$320	\$320	\$12,666	\$10,711	84.56%
	Low Rider Show	\$23,757	\$19,599	\$19,599	\$161	\$160	\$160	\$23,918	\$19,759	82.61%
	Other Events**	\$44,824	\$40,341	\$38,341	\$7,480	\$1,920	\$1,920	\$52,304	\$40,261	76.97%
FY08 YTD	American Idol	\$30,942	\$25,565	\$25,565	0	0	0	\$30,942	\$25,565	82.62%
	Poinsettia Bowl	\$33,694	\$27,897	\$27,897	\$467	\$440	\$440	\$34,161	\$28,337	82.95%
	Holiday Bowl	48,631	\$39,890	\$39,890	\$1,940	\$1,872	\$1,872	\$50,571	\$41,762	82.58%
	Monster Jam				\$1,274	\$1,256	\$1,256	\$1,274	\$1,256	98.59%
	TET Festival				\$174	\$160	\$160	\$174	\$160	91.95%
	Supercross				\$2,610	\$2,568	\$2,568	\$2,610	\$2,568	98.39%
	Other Events**	\$5,067	\$4,238	\$788	\$1,881	\$1,881	\$1,881	\$6,948	\$2,669	38.41%
Total		\$1,014,190	\$786,840	\$803,841	\$101,515	\$90,957	\$90,957	\$1,115,705	\$894,798	80.20%

*Reimbursable costs calculated at tax-exempt rate less the \$1,000 in city services provided to tax-exempt organizations.

**Totals include events calculated at commercial and tax-exempt rates and reflect the \$1,000 in city services provided to tax-exempt organizations when applicable.

PETCO Park Padre Games

Padres	Event Name	SDPD Full Cost	SDPD at Council Approved Rate	SDPD Invoiced per JUMA	Fire-Rescue Full Cost	Fire Rescue Invoiced per JUMA	Total Full Cost SDPD and Fire-Rescue	Reimbursable Revenue SDPD and Fire-Rescue*	Percentage of Total Cost Recovered
FY06	Home Games	\$1,783,287	\$1,570,020	\$649,454	\$141,838	0	\$1,925,125	\$649,454	33.74%
	Padres Events	\$1,089	\$1,173	\$297	0	0	\$1,089	\$297	27.27%
FY07	Home Games	\$1,565,777	\$1,412,000	\$660,212	\$151,543	0	\$1,717,320	\$660,212	38.44%
	Padres Events	\$3,103	\$3,498	\$2,520	0	0	\$3,103	\$2,520	81.21%
FY08 YTD	Home Games	\$994,002	\$852,977	\$459,635	\$135,642	0	\$1,129,644	\$459,635	40.69%
Total		\$4,347,258	\$3,839,668	\$1,772,118	\$429,023	0	\$4,776,281	\$1,772,118	37.10%

*Reimbursable revenue to City reflects total billable amount based on City Council approved Commercial Event Rate and the City Council approved Joint Use Management Agreement (JUMA) between the City of San Diego and the San Diego Padres.

**Amount includes estimated costs for remainder of fiscal year.

PETCO Park Other Events

Other Events at PETCO Park	Event Name	SDPD Full Cost	SDPD at Council Approved Rate	SDPD Invoiced	Fire-Rescue Full Cost	Fire-Rescue at Council Approved Rate	Fire-Rescue Invoiced	Total Full Cost SDPD and Fire	Total Reimbursable Revenue SDPD and Fire-Rescue	Percentage of Total Cost Recovered
FY06	Rolling Stones Concert	\$72,229	\$65,118	\$62,868	\$5,278	\$4,520	\$4,520	\$77,507	\$67,388	86.94%
	World Baseball Classic	132,434	\$110,321	\$105,116	\$150	\$160	\$160	\$132,584	\$105,276	79.40%
FY07	Rugby Tournament	\$47,949	\$41,318	\$41,318	\$2,392	\$1,744	\$1,744	\$50,341	\$43,062	85.54%
	Tony Gwynn Classic	\$12,503	\$11,030	\$5,738	\$370	\$320	\$320	\$12,873	\$6,058	47.06%
FY08 YTD	Rugby Tournament	\$37,407	\$28,050	\$28,050	\$2,095	\$1,808	\$1,808	\$39,502	\$29,858	75.59%
Total		\$302,522	\$255,837	\$243,090	\$10,285	\$8,552	\$8,552	\$312,807	\$251,642	80.45%